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“Forum on Institutional Advancement and Fundraising: Community Partnership for Excellence” to open at UM on 14 June

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The University of Macau Development Foundation (UMDF) was established half a year ago. Vice Rector (Academic Affairs) of the University of Macau (UM) Prof. Simon Ho said that being a young university, UM has a lot to learn from other universities in planning fundraising activities, management of endowments, and cultivating good relations with the community. He said a university should not be an ivory tower that loses touch with the community, and UM hopes to build good relations with the community so that those who care about the development of UM can all become stakeholders and put forward suggestions for improving the university. Next Monday (14 June 2010) UM will hold the “Forum on Institutional Advancement and Fundraising: Community Partnership for Excellence”. Senior administrative personnel from six leading overseas universities who are actively involved in institutional advancement, fundraising, and endowments management will attend the forum to share experience in these fields.

Lack of financial autonomy due to the need to follow the government’s accounting systems hinders UM’s further development

A public institution of tertiary education in Macao, UM is undergoing rapid transformation in recent years, especially last year, which represented a turning point in UM’s history. At the groundbreaking ceremony for the new UM campus held last year, President of the People’s Republic of China Mr. Hu Jintao expressed high expectations for UM to become a leading university in Asia and the world. Prof. Ho said that through the implementation of a series of strategic initiatives, UM has made significant progress in “software” and “hardware” aspects. By the end of 2012 when construction of the new campus is completed, UM will have completed the establishment of new faculties and new disciplines. By then the number of enrolled

students will have reached 10,000, and 10 to 12 residential colleges will have been established to allow UM to implement “whole-person education”.

UM’s day-to-day operation is funded by government funds. The government’s financial budgets are made on an annual basis, with explicitly specified purposes for the funds allocated to UM. Therefore, if there is any change in the work plan of the university and thus results in a budget surplus, the surplus fund must be handed back to the government instead of being carried forward to the next year. This causes a lack of flexibility for UM to develop cross-year plans and hinders its pursuit of becoming a modern university in line with international standards and practices. Although the law grants UM the right to accept donations from individuals and organizations—indeed, UM has used donations from individuals and organizations to set up scholarships for students—but Prof. Ho holds that spending all the donations at once has limited long-term benefits for the university’s development. In view of this, some members of the University Council (UC) proposed in 2006 the idea of establishing a foundation and registering it as a private organization. The idea was to provide practical support to ensure sustainable development of the university and to allow UM to achieve financial autonomy which was impossible for a university funded by government funds.

UMDF can make up for the limitations of other sources of financing

To ensure smooth operation of UMDF, members of the University Council and the Trustees Committee of UMDF did extensive research and collected a lot of data in the field. According to Prof. Ho, establishing foundations is a common practice of many world-renowned universities. These universities channel major donations obtained through fundraising activities into the foundations. Normally only 5% of the total funds are used every year to support the universities’ development. Usually interests and other incomes from investment of the principal are enough to cover such expenditure requirements. The principal is usually kept intact in perpetuity unless the universities are in crisis. Harvard, a university with a history of more than 300 years, possesses a total endowment fund of over USD 2.5 billion. Renowned domestic universities such as Tsinghua University and Fudan University are also in possession of such funds which are used for inviting renowned scholars to give lectures and talks, and organizing student exchange programmes, etc. UM will use the funds for similar purposes, including inviting world-renowned scholars to serve as chair professors, subsidizing student exchange programmes, inviting non-local exchange students to UM, establishing new research centres, and sponsoring special academic programmes. UMDF will enable UM to utilize the sufficient financial resources thus obtained in a

much more flexible manner to make up for the limitations of other sources of financing.

UMDF received donations of MOP 280 million within six months of its establishment

It's only been six months since UMDF's establishment, and UMDF has already received total donations of MOP 280 million. Nevertheless, the sustainable, steady development of the foundation cannot be realized without the continuous support from UM alumni and the community. UM is a young university with a history of less than 30 years. In the past UM rarely, if ever, organized systematic fundraising activities among its alumni. Indeed a culture of donating to higher education institutions has yet to be further promoted in Hong Kong and Macao. As far as top foreign universities are concerned, small donations from the alumni account for approximately 40% of the total donations they receive every year. A university is an educational institution that belongs to the whole society. Therefore, to realize sustainable development, a university must obtain support from the local community, either through attracting donations or through cooperating with the community in various projects. To this end, UM will promote the concept of "community partnership" and will restructure the current Alumni Affairs Office into Alumni and Community Affairs Committee (tentative name) to systematically plan relevant activities and events. Further, UM's top management plans to promote donations from one or two distinguished alumni on the occasion of the university's 30th anniversary so as to encourage other alumni to follow their example and make small, steady, continuous donations to UMDF. As an old saying goes, "Many a little makes a mickle". Donations, big and small, are equally important for the long-term development of the university.

UM needs the society's support to realize the goal of becoming a world-class university

Prof. Ho said he hopes that the whole society can support UM's dream of becoming a world-class university, because he said the realization of this goal will have profound implications for Macao. 80% of UM students are of local origin, and the great majority of these students become pillars of Macao society in various fields upon graduation from UM. Some bring benefits to Macao residents with their scientific research fruits, while others become members of the government's think tank to help with policy-making. Their contributions to the improvement of the wellbeing of the

local community are closely related to UM's improved strength in teaching and research. Regardless of the amounts of donations, UM belongs to all Macao people, and they have the right to put forward suggestions for improving UM. Prof. Ho said that he hopes UM and the community can build good relations based on mutual trust. He said he hopes the society can provide a steady stream of donations to sustain the operation of UMDF and cooperate with the university in students' career development and application of scientific research projects.

“Forum on Institutional Advancement and Fundraising: Community Partnership for Excellence” will be held at UM at 9:00 next Monday (14 June 2010). Senior administrative personnel from six leading overseas universities who are actively involved in institutional advancements, fundraising, and endowments management will attend the forum. They will exchange views and experience with members of the University Council of UM, members of the University Assembly of UM, members of the Trustees Committee of UMDF, and government officials on a wide range of topics including “The Objectives & Functions of Institutional Development/Advancement”, “Building Community Partnership and Donor Relationships”, “Strategies & Management of Fundraising Activities”, and “Governance/Management of Foundation and Endowment Funds”.